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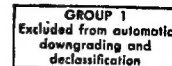
COSTA RICA



This revision supersedes the handbook dated July 1965,
copies of which should be destroyed.

DIRECTORATE OF INTELLIGENCE

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COSTA RICA

1. Political

In February 1966, Costa Rica upheld its electoral tradition of ousting the incumbent party every four years, and elected opposition coalition candidate Jose Joaquin Trejos as president for the 1966-70 term. Also traditional were the extremely close margin by which Trejos defeated National Liberation Party (PLN) candidate Daniel Oduber, and the coup-plotting brinkmanship attending the contest.

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A "clean hands" leader inexperienced in government, Trejos has the further political problem that his own vehicle to power, a coalition of parties cooperating for the sole and negative purpose of wresting control from the PLN, is not loyal to him. At the beginning of his term he is without a following of his own and may get only a minimum of unified support from the "coalition."

The profound acrimony engendered by the loss of hard fought elections has produced deep schisms in the PLN, but this split among the opposition PLN leaders will not necessarily benefit Trejos. It may merely add to the strains within the legislature, which could easily degenerate into a do-nothing congress at a time when political and economic reform is sorely needed. To govern effectively, the new administration will be heavily dependent upon Trejos' prestige and untested skill in countering opposition hostility and internal pressures. Present indications are that the government will have relatively limited political capabilities.

2. Economic

Costa Rica is favored by its democratic tradition, stability, a largely literate population, relatively advanced social services, and comparatively equitable distribution of land and income. The economy, however, is heavily dependent upon the export of coffee and bananas, which account for about two-thirds of all exports. The fluctuations

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in prices of these two commodities in recent years, combined with a rising level of imports, have resulted in chronic trade deficits since 1955. In 1965 the deficit increased to \$66 million as imports rose 29 percent and exports were stable. A substantial part of the deficit is covered by private foreign investment and drawings on long-term loans, but the increasing demand by consumers for manufactured goods has created a potentially serious payments problem.

As confidence and coffee production recovered after Mount Irazu stopped erupting in January 1965, strong prosperity developed through 1965 and has continued into 1966. The growth rate through mid-1966 appeared to be about the same as in 1965, 7.5 percent. Tight credit was the main factor limiting acceleration of the boom. The 1966-67 coffee crop is expected to be the best in history, and will probably present major problems of storage or marketing. Costa Rica is exploring markets outside those covered by international agreements to sell its over-quota production.

Preliminary figures show the 1965 GNP at \$590 million, 7.6 percent higher than in 1964. As the population is increasing at a rate of about 3.8 percent and prices are stable, this growth represents 3.8 percent per capita, well above the Alliance for Progress target of 2.5 percent.

It does not appear that Trejos will make any basic changes in economic policies. He has announced his desire to reduce the economic role of the state and has promised heavy support for the private sector. He has emphasized a high priority on private banking and on solving the problem of "anarchy" in the country's autonomous institutions. These and other reforms intended by Trejos, however, are likely to be hindered by the administration's lack of a majority in the legislature.

Import duties continue to account for over half the government's total revenue. Tax rates are the same for individuals and corporations. Tax incentives for new industry have cost the government substantial revenues, particularly in exemptions from import duties. So far the Industrial Protection and Encouragement Law, enacted in 1959, has attracted mainly industries that will not produce export earnings.

Costa Rica has ratified all the basic agreements and joined all the institutions established under the Central American Common Market, and Trejos has affirmed his support for economic integration. Trade between Costa Rica and the Communist countries is insignificant—under 0.5 percent of total exchange—but Costa Rica is seeking markets not inhibited by international agreements.

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3. International Relations

Costa Rica staunchly supports the US on most international issues. It contributed a contingent to the OAS force in the Dominican Republic, but maintains an independent position in hemispheric affairs, and may oppose the creation of a permanent hemispheric peace force (IAPF). Under the new administration, support for the US may be less ready, since many within the new government are convinced that the US is partial toward their political enemy, the PLN. During the election campaign, Trejos stated in effect that, while he regards the US as Costa Rica's great friend, his government will seek to improve and expand its relations with Europe, especially France. Trejos has taken a step toward more cordial relations with neighboring Central American countries and Panama with his preinaugural visit to those republics. Relations with Nicaragua, particularly, should improve, since the animosity between Costa Rica and Nicaragua is in large part based on mutual ill will between the PLN and the Somoza family in Nicaragua. The need for export markets to bolster its sagging economy has caused Costa Rica to seek to expand its present insignificant trade with the Communist countries.

4. Subversion

The illegal Popular Vanguard (Communist Party-PVP), which has a dedicated and well-trained leadership, an estimated 400 members and 8-10,000 sympathizers, is the principal subversive group in the country. Although the party normally has relative freedom to operate, government security measures against it vary, e.g., there was a sharp crackdown on Castro-Communists during the 1962 Cuban missile crisis. PVP leaders were stunned by legislative action at the end of 1965 barring the Communist-front Popular Socialist Alliance (PAPS) from participating in the February 1966 elections.

The PVP has tactically eschewed violence and favored democratic means for attaining power. At least 31 PVP members have received six months of guerrilla training in Cuba since 1960, and four have received sabotage and paramilitary training in the USSR. Several of these have been training small bands of party militants. It is unlikely that the Communists have the capacity to mount sustained insurgent activities, although isolated attempts cannot be ruled out. They are probably fearful of the several small anti-Communist paramilitary groups in the country. The AID public safety program is strengthening the internal security potential of the police forces in rural areas, as well.

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The PVP is preparing for the future by sending large numbers of leaders or potential leaders for training at party schools in the USSR. Since October 1960 at least 107 Costa Ricans have received or are now receiving party training either at the CPSU school for non-bloc Communists or the Central Komsomol School in Moscow; 48 have received five-year scholarships at Patrice Lumumba University, Moscow; and 16 are studying on scholarships at East European universities. The Communist youth tends to challenge the old-line leadership which is strongly oriented toward the Soviet line.

The sixth congress of the CGTC, a Communist labor confederation, in September 1965 stressed the importance of peasant organizations and announced two new Communist peasant unions, one in Limon Province near a large agrarian reform colony. Another important Communist effort in Limon is a campaign to organize banana workers employed by Standard Fruit. There is also renewed Communist interest in the peasant leagues near Puerto Cortes and Piedras Blancas.

There are a significant number of anti-Somoza Nicaraguan exiles, many of them pro-Communist, residing in Costa Rica. Like other Central American extreme leftists, they have received small amounts of money, materiel, and logistical support from the PVP, but their subversive efforts are aimed at the Government of Nicaragua.

Costa Rica has no regular armed forces, and the strong anti-military feeling of most Costa Ricans has resulted in highly inadequate appropriations for internal security forces. The small public forces of about 3,000 men perform police and quasi-military functions and are loyal to the government. The Civil Guard, the principal component of these forces, would be severely handicapped in any sustained campaign by the lack of a professional officer corps and insufficient training, materiel, and mobility. The US Public Safety Mission is trying to help the government establish a truly professional police force.

Chronology of Key Events

- 1948 (1 Mar) National Assembly nullifies elections when victory of opposition National Union Party (PUN) candidate Otilio Ulate becomes evident.
- (12 Mar) Civil war erupts with revolutionary army led by Jose Figueres. Government forces are defeated after six weeks of strife.
- (8 May) Figueres heads "Founding Junta of the Second Republic," in control for transition period until Ulate's inauguration.

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- 1948 (May-Dec) Caribbean Legion, an irregular military force of refugees from area dictatorships which helped Figueres' revolution, plots against regimes in Nicaragua and the Dominican Republic from its base in Costa Rica.
(Dec) Nicaraguan-supported forces of ex-president Calderon invade Costa Rica from Nicaragua. Invasion repelled with assistance from OAS, which calls for halt to subversion and disbanding of Caribbean Legion.
- 1949 (15 Jan) Constituent Assembly, elected in December, meets to draft new constitution.
(2 Oct) PUN wins 30 of the 45 seats in Legislative Assembly election.
(8 Nov) Ulate is inaugurated President; new constitution goes into effect.
- 1953 (26 Jul) Figueres, candidate of National Liberation Party (PLN), is elected President; PLN wins 30 of 45 legislative seats.
- 1954 (3-4 Apr) Nicaraguan exiles based in Costa Rica unsuccessfully attempt to assassinate Nicaraguan President Somoza. Somoza, convinced of Figueres' implication, vows revenge.
- 1955 (Jan) Invasion of Nicaraguan-based Costa Rican exiles backed by Somoza is halted by OAS intervention.
- 1958 (2 Feb) Opposition (PUN) candidate Mario Echandi wins presidential election but legislative majority is controlled by PLN.
- 1960 (16-29 Aug) 6th and 7th meetings of OAS foreign ministers result in Declaration of San Jose, repudiating Communist bloc intervention in the affairs of the Americas.
- 1962 (4 Feb) PLN candidate Francisco Orlich Balmarcich elected President; PLN wins 28 of 57 legislative seats.
- 1963 (18-20 Mar) President Kennedy meets with Central American presidents in San Jose.
(Mar) Ashfall from erupting Irazu volcano begins.
- 1965 (29 Oct) Communist front Popular Socialist Alliance (PAPS) is outlawed by legislature.
- 1966 (6 Feb) Jose Joaquin Trejos, candidate of coalition formed to defeat PLN candidate Daniel Oduber, wins narrow election victory. PLN retains legislative majority.
(Apr) President-elect Trejos visits Central American republics and Panama.
(8 May) Trejos inaugurated President.

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Holidays and Significant Dates

- 1 Jan Circumcision and New Year's Day
- 19 Mar Feast of St. Joseph (patron saint of Costa Rica)
- Mar-Jun Movable religious observances: Holy Thursday, Good Friday, Holy Saturday, and Corpus Christi
- 11 Apr Anniversary of Battle of Rivas (marking defeat in 1854 of William Walker, an American soldier of fortune)
- 1 May Labor Day
- 29 Jun Feasts of Sts. Peter and Paul
- 2 Aug Feast of Our Lady of Angels
- 15 Aug Assumption
- 15 Sep Independence Day
- 12 Oct Columbus Day
- 8 Dec Immaculate Conception
- 25 Dec Christmas

Selected Factual Data

LAND

Total sq. miles: 19,647; 10% arable, of which $\frac{1}{2}$ is cultivated; 80% forested; 10% inland water or waste

PEOPLE

Population: 1,558,000 (1966 est.); males 15-49, 297,000; fit for military service, 210,000

Ethnic groups: 97.6% white including some mestizo; 2% Negro; 0.3% Indian; 0.1% Asian

Religion: 95% Roman Catholic

Language: Spanish; English, taught in elementary and secondary schools, is most popular secondary language

Literacy: 80%

Labor force: 400,000 active, 10%-25% unemployed (1964)

Organized labor: About 5% (1966)

GOVERNMENT

Type of government: unitary republic, constitutional democracy; considerable political maturity and experience in operation of representative government, by Latin American standards.

Branches of government: president and 57-member unicameral legislature elected by direct popular vote every 4 years; 17-member Supreme Court elected for 8-year terms by the assembly is constitutionally and actually an independent branch; cabinet appointed by president.

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President: Jose Joaquin Trejos
Government attitude toward US: friendly
Capital: San Jose
Regional breakdown: Seven provinces with almost no local autonomy.

Principal political parties:

National Liberation Party (PLN): Leaders Francisco Orlich, Daniel Oduber, and Jose Figueres. Oduber, presidential candidate in 1966, polled 49% of the vote. PLN has 29 deputies in the assembly and constitutes the legislative majority.

National Union Party (PUN), led by Otilio Ulate

Republican Party (PR), led by Rafael Angel Calderon Guardia

Authentic Republican Union Party (PURA), led by Mario Echandi

The National Unification (UN) coalition of PUN, PR, and PURA polled 50% of the vote in 1966.

Popular Vanguard Party (PVP), the Communist Party, is led by Manuel Mora and has been illegal since 1948; has 400 members and 8-10,000 sympathizers.

Popular Socialist Alliance (PAPS), a Communist front led by Marcial Aguiluz, was outlawed by the legislature in October 1965.

Suffrage: Compulsory for men and women aged 20 or over.

Significant exclusions from voting: none

Registered voters as % of population in 1966: 37%

Abstention (1966): About 20% of registered voters

Extent of fraud: relatively insignificant in Latin American context

System of balloting: direct vote for president, proportional representation for national legislature and municipal councilmen; separate ballots for president, legislature, and municipal races

Election laws on the whole encourage multiparty system; party registration is not difficult and may be on a nationwide or local basis.

Next national election: February 1970

Member: UN, OAS, Organization of Central American States, and the Central American Common Market

ECONOMY

GNP: US\$590 million (1965 in current prices); estimated 7.6% increase over 1964; \$393 per capita; rate of inflation 1963-64 about 3%; no change in cost-of-living index in 1965.

Agriculture: main crops: coffee, bananas, cacao, sugar, corn, cattle raising gaining in importance. Almost self-sufficient.

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Major industries: food processing, footwear, clothing, construction materials, auto assembly

Critical shortages: manufactured consumer goods and capital equipment

Electric power: 156,000 kw capacity in 1965, with estimated production of 600 million kw-hr

Exports: coffee, 41.4%; bananas, 26.1%; cattle and beef, 4.1%; sugar, 3.9%. Total value of exports, f.o.b., US\$112.3 million (1965)

Imports: wheat and other grains, manufactured consumer goods, capital equipment; total value of imports, c.i.f., US\$178.2 million (1965)

Exports to US in 1965: US\$56.4 million (50%)

Imports from US in 1965: US\$71 million (40%)

Trade/aid: principal trading partners are the US, Germany, Netherlands, Japan, UK, and Central American republics. Costa Rica has had an unfavorable balance of trade since 1955. US development loans 1946-65, \$33.85 million authorized; total assistance estimated for FY 1966: US\$12 million.

COMMUNICATIONS

Railroads: 490 miles of single-track 3'6" gage, of which 77 miles are electrified (1966)

Highways: 3,400 miles including 430 miles bituminous surface, 65 miles concrete, 655 miles gravel or crushed stone, and 2,250 miles improved earth (1966).

Inland waterways: 455 miles perennially navigable

Ports: 1 principal, 2 secondary, 4 minor

Merchant marine: none

Airfields: 165 (73 civil air, 92 airfield sites, 2 seaplane stations; 1 airfield handles jets)

Telecommunications: domestic service poor; international, above average in Central America and satisfies most of the country's requirements

DEFENSE FORCES

Personnel: civil guard 1,700

Loyalty of forces to incumbent regime: loyal

Aircraft: 3 Cessna 185, 1 Cessna 180

Air facilities: civil airfields used

Supply: dependent on imports

US missions: Military Assistance Group

US military aid: \$0.1 million for FY 1967

Military budget: \$2.3 million, 2% of 1965 budget (\$123.7 million)

RELATIONS WITH COMMUNIST COUNTRIES

Resident diplomatic and consular missions: none; Czech and Polish trade missions
Binational cultural centers: none
Imports in 1964: \$644,630 (0.46% of total imports)
Exports in 1964: none

National Intelligence Survey (NIS) Material

The following sections of the NIS are relevant:

NIS Area 76 (Costa Rica)

General Survey in draft, to be published in fall 1966

Sec 21 Military Geographic Regions (Nov. 64)
Sec 23 Weather and Climate (Mar 57)
Sec 24 Topography (May 64)
Sec 25 Urban Areas (Jan 60)
Sec 35 Ports and Naval Facilities (Mar 61)
Sec 36 Merchant Marine (Aug 56)
Sec 37 Civil Air (Nov 61)
Sec 38 Telecommunications (Dec 58)
Sec 41 Population (Feb 55)
Sec 42 Characteristics of the People (Apr 58)
Sec 43 Religion, Education, and Public Information (May 55)
Sec 44 Manpower (Jun 55)
Sec 45 Health and Sanitation (Oct 56)
Sec 51 The Constitutional System (Feb 55)
Sec 52 Structure of the Government (Jun 55)
Sec 53 Political Dynamics (Oct 62)
Sec 54 Public Order and Safety (Jun 56)
Sec 55 National Policies (Nov 62)
Sec 57 Subversion (Jan 56)
Sec 58 Propaganda (Feb 55)
Sec 65 Trade and Finance (Dec 54)
Sec 91-94 Map and Chart Appraisal (Oct 59)
Gazetteer (Apr 56)

NIS Area 71-77 (Central America)

Sec 22 Coast and Landing Beaches (Mar 56)



Map

The best available general reference map is: Texaco; *Costa Rica*; 1:850,000; 1964

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